

Standing Financial Instructions

Standing Financial Instructions – NHS England

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Brief summary of changes since the previous version:	Updated appendix 6, updated links, updated scope to include new transitional executive team, updated statutory powers, updated guidance related to provider selection regime.

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1 Purpose

- 1.1.1 Standing Financial Instructions (SFIs) are part of the Governance Manual for NHS England.
- 1.1.2 SFIs are designed to ensure regularity and propriety of financial transactions. SFIs define the purpose, responsibilities, legal framework and operating environment of NHS England.
- 1.1.3 SFIs should be read together with the NHS England Standing Orders and Scheme of Delegation.
- 1.1.4 All Executive Members, Non-Executive Members and all Officers should be aware of the existence of these documents and be familiar with their detailed provisions. The SFIs will be made available to all Officers on the intranet and internet website for NHS England.
- 1.1.5 Should any difficulties arise regarding the interpretation or application of any of these Standing Financial Instructions, the advice of the Chief Financial Officer or the Director of Financial Control should be sought before acting. The Director of Financial Control can be contacted by sending an email to: England.assurance@nhs.net
- 1.1.6 Failure to comply with the Standing Orders, the Standing Financial Instructions or the Scheme of Delegation, may result in disciplinary action in accordance with the NHS England applicable disciplinary policy and procedure in operation at that time.

2 Scope

2.1.1 All Officers of NHS England, including hosted organisations, without exception, are within the scope of the Standing Financial Instructions and Standing Orders including and without limitation:

- National and Regional teams;
- Commissioning Support Units;
- Strategic Clinical Networks;
- Clinical Senates;
- Employees of NHS England under Health and Social Care devolution arrangements;
- Supply Chain Coordination Ltd (appendix 16 and Losses and Special Payments);
- NHS Interim Management and Support.

2.1.2 Within this document, words imparting any gender include any other gender. Words in the singular include the plural and words in the plural include the singular. Any reference to an enactment is a reference to that enactment as amended.

2.1.3 Unless a contrary intention is evident, or the context requires otherwise, words or expressions contained in this document will have the same meaning as set out in the applicable statutory Act.

3 Roles and Responsibilities

3.1 Budget Holders and Budget Managers

- 3.1.1** All NHS England Officers are severally and collectively, responsible to their respective employer(s) for;
- abiding by all conditions of any delegated authority;
 - the security of the statutory organisations property and avoiding all forms of loss;
 - ensuring integrity, accuracy, probity and value for money in the use of resources; and
 - conforming to the requirements of these SFIs.
- 3.1.2** The Chief Executive for NHS England is designated as the Accounting Officer.
- 3.1.3** The Accounting Officer is personally accountable to Parliament for the stewardship of NHS England allocated resources.
- 3.1.4** The Accounting Officer of NHS England has the delegated responsibility to ensure that for the entire NHS commissioning budget:
- the allocated annual revenue and capital resource limits are not exceeded;
 - the use of resources is in accordance with the Government's Accountability Framework agreement and financial directions;
 - the Governance Statement and Annual Report and Accounts are prepared and signed;
 - planned budgets are approved by the relevant Board;
 - Executive Members and other Officers are notified of and understand their responsibilities within the SFIs; and
 - specific responsibilities and delegation of authority to specific job titles are confirmed.

3.2 Audit and Risk Assurance Committee

- 3.2.1** In accordance with the Standing Orders, NHS England is required to establish an Audit and Risk Assurance Committee (ARAC).
- 3.2.2** The terms of reference of the Committee must be drawn up and approved by the statutory board.
- 3.2.3** The Audit and Risk Assurance Committee will advise the Board and Accounting Officer on:
- the strategic processes for risk, control and governance and the Governance Statement;
 - the accounting policies, the accounts, and the annual report of NHS England, including the process for reviewing the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors; and
 - the planned activity and results of both internal and external audit.
- 3.2.4** The Committee will review the work and findings of the external auditors and consider the implications of and management's response to their work.
- 3.2.5** The Committee will review the Annual Report and Accounts before submission to the Board for approval.
- 3.2.6** The Committee has a duty to approve the annual set of consolidated accounts for all NHS Trusts and Foundation Trusts on behalf of the Board.

4 Budget Management

4.1 Budget Holders and Budget Managers

- 4.1.1** Budget Holders have responsibility delegated to them by the Accounting Officer for the management of a budget and resources.
- 4.1.2** Most Budget Holders will have responsibility for budgets covering NHS England and/or hosted bodies expenditure. These SFIs apply equally to expenditure incurred on NHS England and hosted bodies cost centres.
- 4.1.3** Under special circumstances (e.g., long-term absence, holiday cover) a Budget Holder can delegate authority to another employee, in accordance with these SFIs, to commit expenditure against the budget. This delegation must be in writing and must be notified to the Finance Business Partner and must be accepted and noted for audit purposes.
- 4.1.4** Budget Holders may appoint a Budget Manager for each budget and set out in writing the responsibilities of the Budget Manager and any other staff who contribute to management of budgets assigned to them, for example staff responsible for confirming receipt of goods or services. The Budget Holder must confirm to the Finance Business Partner when a Budget Manager has been appointed.
- 4.1.5** The Chief Financial Officer has the responsibility of ensuring that relevant training is available and delivered on an on-going basis to Budget Holders and Budget Managers to help them manage their budget successfully and improve their knowledge of financial processes and principles.
- 4.1.6** Budget Holders must ensure that arrangements are in place to ensure that:
- all expenditure is lawful (in accordance with Managing Public Money) and is incurred in accordance with the No Contract, No Purchase Order, No Payment protocol;
 - all expenditure is incurred or committed in accordance with the SFIs, the Procurement Policy and related annexes, including the appropriate levels of internal and external approval;
 - planned and actual expenditure takes full account of the need to achieve value for money in terms of economy, efficiency, and effectiveness;
 - they meet with the designated Finance Business Partner regularly;
 - forecasting expenditure against budget is robust and where a budget allocation is no longer fully needed or where there is a risk of overspending this is reported to the Finance Business Partner immediately; and
 - information can be supplied to the Chief Financial Officer as required to enable budgets to be compiled.

- 4.1.7** For further detail on the responsibilities of a Budget Holder please refer to the Budget Holder guide.
- 4.1.8** In making financial decisions, Budget Holders are expected to consider not only the impact of the decision on resources for the current year but also any potential resource implications for future years. Budget Holders must ensure that non-recurring budgets are not used to finance recurring expenditure.
- 4.1.9** Budget Holders will be expected to bear the full financial consequences of their decisions from their delegated budgets.
- 4.1.10** Payments for liabilities arising because of a decision taken in an earlier period (even where the decision was taken by a predecessor) still need to be reflected in the appropriate cost centre of the current financial year.

4.2 Budget allocations - Revenue and Capital allocations

- 4.2.1** The Government's accountability framework/mandate with NHS England sets out objectives and annual resource allocation based on two resource streams. Revenue resource limit (split between admin and programme); and capital resource limit.
- 4.2.2** NHS England is required not to exceed resource limits. The Accounting Officer has overall responsibility for budgetary activities and is accountable to the Board for ensuring that the organisation stays within these limits. The operational responsibilities are delegated to the Chief Financial Officer.
- 4.2.3** The Chief Financial Officer will:
- provide reports in the form required by the Secretary of State for Health and Social Care;
 - provide regular financial reports in the form agreed by the Board;
 - ensure money drawn from the Department of Health and Social Care against cash forecasts is required for approved expenditure only, and is drawn only at the time of need, following best practice as set out in HMT Managing Public Money; and
 - be responsible for ensuring that an adequate system for monitoring financial performance is in place to enable NHS England to fulfil its statutory responsibility not to exceed the annual revenue and capital resource limits and cash limit.

4.3 Budget Switches

- 4.3.1** Transfers between revenue and capital allocations or admin to programme switches will only be considered at the request of NHS England to the Department of Health and Social Care.
- 4.3.2** For detailed operational guidance on virements, please refer to the Budget Holder guide.

4.4 Preparation and Approval of Financial Strategy and Budgets

- 4.4.1** The NHS England Board has reserved the power to approve the respective business plans (financial strategy) in accordance with the scheme of delegation.
- 4.4.2** The government's accountability framework with NHS England includes the annual mandate and financial directions issued to NHS England by the Department of Health and Social Care.
- 4.4.3** The Chief Executive will commission and submit to the Board a business plan (financial strategy) that considers financial targets and forecast limits of available resource.
- 4.4.4** For further detail on the responsibilities of a Budget Holder please refer to the Budget Holder guide.

4.5 Budgetary control, planning, and monitoring

- 4.5.1** This control framework will include;
- periodic reports to the relevant Board, Committees and Sub Committees, containing explanations of any significant variances from plan, and where necessary details of any corrective action.
 - the issue of timely, accurate and comprehensible advice and financial reports to each Budget Holder, covering the areas for which they are responsible;
 - regular and timely budget meetings with Budget Holders and /or Budget Managers; and
 - arrangements for the authorisation of budget transfers between Budget Holders.
 - devising and maintaining systems for budgetary control. This responsibility will be delegated to the finance teams for NHS England. The teams will set the framework for budgetary control.
 - ensuring that the financial details contained within service agreements or contracts entered into are consistent with the requirement to balance income and expenditure; and shall ensure that adequate financial systems are in place to monitor and control all such contracts and to facilitate the compilation of estimates, forecasts and investigations as may be required from time to time.

4.6 Breach of Budgetary limits

- 4.6.1 Any expenditure by NHS England which falls outside the coverage of Parliament's approval of NHS England delegated authorities is 'irregular' unless specific approval has been sought and given by the HM Treasury. Irregular expenditure cannot legally be met from funds granted by Parliament.
- 4.6.2 Delegated authorities are governed in many cases by external spending controls imposed by the Cabinet Office, HM Treasury or the Department of Health and Social Care.
- 4.6.3 Any expenditure which is not appropriately authorised is likely to be considered as unauthorised, please refer to the [Business Case Policy](#) for detailed guidance.

5 Banking Arrangements, Income & Debt Recovery

5.1 Banking arrangements

- 5.1.1** The Chief Financial Officer is responsible for ensuring the effective management of NHS England banking arrangements and for advising the Board on the provision of banking services and operation of accounts, including the provision and use of procurement, corporate or other card services. This advice will consider guidance/directions issued from time to time by the Department of Health and Social Care and HM Treasury.
- 5.1.2** The Chief Financial Officer will put in place arrangements to ensure payments made from Government Banking Service accounts do not exceed the amount credited to the account except where arrangements have been made.
- 5.1.3** The Chief Financial Officer will prepare banking operational guidance on the operation of bank accounts which must include:
- the conditions under which each bank account is to be operated;
 - how risks of fraud and overpayments are to be assessed, evaluated, prevented, countered systemically, and managed when discovered; and
 - when and how payment by procurement/corporate cards or direct debits are acceptable.
- 5.1.4** NHS England must use accounts arranged through the Government Banking Service (GBS).

5.2 Government Banking Service

- 5.2.1** The Chief Financial Officer will ensure that to action transactions governed by the bank mandates, there must be two approved signatories, which are listed on the mandates and one of the signatories, must be either the Chief Financial Officer or the Director of Financial Control.
- 5.2.2** The Chief Financial Officer is responsible for ensuring that detailed instructions on the operation of GBS accounts are prepared, which must include:
- the conditions under which each GBS account is to be operated; and
 - those authorised to sign payable orders or other orders drawn on NHS England accounts.

5.3 Debt Recovery

- 5.3.1** The Chief Financial Officer is responsible for promoting procedures to recover all outstanding debts, this includes producing a debt management strategy.
- 5.3.2** The debt management strategy will; cover a minimum period of 3 years to ensure relevance, take account of the vulnerability of debtors and the hardships of debtors and cover end-to-end debt management from debt creation to collection.
- 5.3.3** Any other systems used to carry out these functions must be approved by the Chief Financial Officer. Where payment is not received within the debt management timescales further recovery action will be taken. The Chief Financial Officer will nominate Officers that are authorised to sign court documentation in relation to the recovery of outstanding debts, on behalf of NHS England

where it is deemed necessary to use the services of a professional debt recovery.

- 5.3.4** The use of professional debt recovery companies should be approved by the Chief Financial Officer.
- 5.3.5** Budget Holders and Budget Managers should ensure that all contractual documents are made available to Finance to facilitate the debt collection process through the outsourced service provider.
- 5.3.6** Where debt still cannot be recovered after following all possible avenues, it must be written off in accordance with the Losses and Special payment governance procedure or a credit note requested by the Budget Holder whilst ensuring that all income due to NHS England is identified.

5.4 Income and contracting

- 5.4.1** The Chief Financial Officer is responsible for:
- ensuring systems are in place for the proper recording, invoicing, collection, and coding of all monies due; and
 - ensuring systems are in place for the prompt banking of all payable orders and negotiable instruments received.
- 5.4.2** The Chief Financial Officer will arrange to register with HM Revenue and Customs if required under money laundering legislation.

5.5 Fees and Charges

- 5.5.1** The Chief Financial Officer is responsible for putting into place arrangements that ensure all fees and charges follow the guidance laid down by HM Treasury.
- 5.5.2** This includes approving and regularly reviewing the level of all fees and charges other than those determined by statute and by the Department of Health and Social Care. Independent professional advice on matters of valuation should be taken, as necessary.

5.6 Sponsorship Income and Gifts

- 5.6.1** NHS England Officers have a responsibility to ensure that they are not placed in a position that compromises or appears to compromise their role in NHS England public or statutory duties. They should not, nor should they be perceived to, secure gifts and hospitality by virtue of their role in the organisation if this would give the impression that they have been influenced or are deemed to be influencing while acting in an official capacity.
- 5.6.2** NHS England is required to disclose in the Annual Accounts, all sponsorship and gifts received or given if they exceed the value of £300k. Sponsorship or gifts received or given should be recorded in the respective register, detailing the estimated value and what happened to the sponsorship or gift (whether they were retained, disposed of or accepted). For operational guidance on sponsorship, please refer to the [Standards of Business Conduct Policy](#).

5.7 Commissioning Support Units (CSU) contracts, variations, sales and credit note delegated limits.

- 5.7.1** Appendix 12 provides details of approval limits that are applicable to the signing of income (sales) contracts and variations to those contracts, including service level agreements, memoranda of understanding (MOU) and contracts for services provided by CSUs to Integrated Care Boards, NHS England for Direct Commissioning Support and other commissioners.
- 5.7.2** The CSU Managing Directors, Deputy Managing Directors or the Directors of Financial Control are authorised to sign and approve CSU contracts and contract variations, against service level agreements and contracts for services provided to Integrated Care Boards, NHS England for direct commissioning support and other commissioners without financial limit. Signing limits for sales and credit note requests are shown in Appendices 14 & 15.
- 5.7.3** Managing Directors and the Director of Financial Control are authorised to sign and approve CSU contracts, contract variations, sales and credit note requests against service level agreements and contracts for services provided to Integrated Care Boards, NHS England for direct commissioning support and other commissioners without financial limit, subject to the value being in line with the signed agreement or contract.
- 5.7.4** The appropriate signing level for contract variations will be determined by considering the revised whole life value of the contract, including the variation.

6 Financial Systems and Processes

6.1 Provision of Finance System and Business Intelligence

- 6.1.1** The Chief Financial Officer is responsible for ensuring protection of financial data or software held on financial systems from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard to UK General Data Protection Regulation, the Data Protection Act 2018 and other information governance policies. In addition, the Chief Financial Officer will also ensure that systems and processes are designed and maintained for the recording and verification of finance transactions such as payments and receivables for NHS England.
- 6.1.2** The systems and processes will ensure inter alia that payment for goods and services is made in accordance with the provisions of these SFIs, related procurement guidance and good payment practice.
- 6.1.3** Where a Budget Holder certifying amounts for payment relies upon information from other Officers, the Budget Holder must ensure there is adequate independence of the Officers involved.
- 6.1.4** NHS England employees will be granted access to the Integrated Single Financial Environment (ISFE) system, to enable them to authorise, approve and code expenditure/income in fulfilment of their roles as Budget Holders.
- 6.1.5** The Financial Control Team, Finance Business Partners and the Commercial Directorate are responsible for ensuring the availability of ISFE and Business Intelligence.

7 Procurement and Purchasing

7.1 Principles

- 7.1.1** As a public sector organisation, NHS England will procure in a manner that fully complies with Procurement Rules (as defined in Appendix 2) and associated statutory requirements whilst securing value for money and sustainability when procuring requirements covered by the Procurement Rules. This includes, as a relevant authority, complying with The Health Care Services (Provider Selection Regime) Regulations 2023 (PSR) when procuring relevant health care services. The [Procurement policy](#) sets out all of the legislative requirements we must follow.
- 7.1.2** The [Business Case Policy](#) outlines approval requirements for revenue non-pay expenditure, based on whether it is defined as clinical or non-clinical.
- 7.1.3** Approval must be gained from the Commercial Executive Group, the Commercial Strategy Panel, or an Associate Director of Commercial (if sub-threshold) depending on the value of the case; the Business Case Policy and associated terms of reference for the committees sets out these limits. Once the expenditure request is approved, all procurement must be undertaken in accordance with the [Procurement policy](#).
- 7.1.4** All NHS England Officers must ensure that any conflicts of interest are identified, declared and appropriately mitigated or resolved in accordance with the [Standards of Business Conduct Policy](#). A conflicts of interest assessment must be undertaken (together with commercial colleagues) for all above threshold commercial activity.
- 7.1.5** Budget holders are accountable for obtaining the necessary approvals and oversight of all expenditure incurred on the cost centres for which they are responsible.
- 7.1.6** Officers are required to:
- Obtain the necessary internal and external approvals (please refer to the [Business Case Policy](#)) which vary based on the type of spend, prior to procuring the goods, services or works;
 - Procure the goods, services or works in accordance with the instructions in this document, the [Procurement policy](#) and associated operational guidance to ensure that procurement is fully compliant;
 - manage the contract in accordance with the [Contract Management Framework](#);
 - Undertake any contract variations or extensions in accordance with the instructions in this document which ensure compliance with Procurement Rules; and
 - Utilise Purchase Orders, Prepayments and Corporate Procurement Cards in accordance with the instructions in this document, the Corporate Procurement Card and associated guidance.
 - Retrospective approval of expenditure is not permitted. Any breaches will require approval by National or Regional Director before the liability will be paid.

7.2 Commercial Pipeline

- 7.2.1** Budget holders are required to maintain a rolling 18-month Commercial pipeline of all upcoming non-pay revenue expenditure and contract renewals. This pipeline, generated and maintained through business planning and based on directorate strategies, is required to enable accurate forecasting and ensure that time and resources are available to drive value for money and sustainability throughout the procurement.
- 7.2.2** The requirements of the Commercial Pipeline are detailed in the Procurement policy.

7.3 Approval to Commit Funds

- 7.3.1** Business case approval limits are based on the anticipated whole lifetime cost of the contract including irrecoverable VAT. If irrecoverable VAT is excluded from the initial approved expenditure value, then a further business case will be required to cover these costs.
- 7.3.2** All procurement limits stated in these SFIs are inclusive of all VAT, unless otherwise specified.
- 7.3.3** **Non-clinical** – Budget holders should submit expenditure requests through ISFE requisitions and Business cases are required for non-clinical spend as per the [Business Case Policy](#).
- 7.3.4** **Clinical** – A business case is required for clinical spend as per the [Business Case Policy](#).
- 7.3.5** **Non-clinical** and **Clinical** non-pay revenue expenditure is defined in the [Business Case Policy](#). All queries on whether expenditure is clinical or non-clinical in nature or on the Light Touch Regime or the Provider Selection Regime should be referred to the Commercial team.
- 7.3.6** All officers are required to comply with the requirements of the [Business Case Policy](#) unless a different approval process, defined below, is required:
- Internal budget transfers, within NHS England, for example: from a national team to a regional team or between regions, do not require a Business Case.
 - Capital expenditure, including Property, Plant & Equipment and Capital Grants require Capital Board approval. Where the proposed capital activity requires associated commercial activity a Business Case is required in addition to the capital board approval; and
 - Business cases that are a combination of revenue and capital will be subject to the different approval thresholds;
 - Revenue grant funding – see requirements defined in SFI11 and [Revenue Grants Policy](#).
- 7.3.7** Any expenditure with a CSU will require a business case for any value of expenditure.

7.4 Procuring goods, works or services

- 7.4.1** All NHS England Officers must follow the rules and guidance set out in the [Procurement policy](#). Where no other relevant guidance exists, guidance issued by the NHS England

Commercial Team should be followed.

- 7.4.2** Where the duration and whole life value of a contract is not determined, advice must be sought from the commercial team.

7.5 Quotations and Tendering

- 7.5.1** Officers must ensure that they obtain the minimum number of quotes defined in the [Procurement policy](#) when procuring.
- 7.5.2** Where a competitive procurement process is being undertaken or a procurement decision is made, including a decision made under the PSR (in relation to relevant healthcare services), officers must follow the Procurement Policy and the processes and guidance issued by the commercial Team.
- 7.5.3** Under the Procurement Rules, evaluation criteria must be agreed in advance in collaboration with the commercial team as per the [Procurement policy](#). Where relevant under the PSR, Key Criteria and Basic Selection Criteria must be considered in advice with the commercial team as per the [Procurement policy](#). All queries on procurement must be referred to the Commercial team.
- 7.5.4** Officers must maintain strict confidentiality of quotations and tender submissions pending their evaluation. Following evaluation, confidentiality must be maintained subject to the Freedom of Information Act (FOIA) 2000.
- 7.5.5** Where, under the Procurement Rules, a proposed procurement falls within a goods or services category that is covered by a mandated supplier or central government purchasing framework, these must be used unless there is a clear value for money justification for using another route. Any such justification for choosing a different route must be agreed in advance with the Commercial team.

7.6 Non-Competitive Procurements

- 7.6.1** All procurements should be made on a competitive basis unless it can be demonstrated that value for money can only be obtained through a non-competed process or in line with the exemptions stated in the [Procurement policy](#).
- 7.6.2** Proposals to waive competition should be reviewed in line with the [Business Case Policy](#) and, dependent on the area of spend, may require approval from either the Commercial Strategy Panel or Commercial Executive Group in accordance with their Terms of Reference. Please refer to the [Business Case Policy](#) for further guidance.

7.7 Procuring Services from a Commissioning Support Unit

- 7.7.1** Officers procuring services up to £1m from a Commissioning Support Unit (CSU) should follow the CSU New Business Opportunity Approach defined in the [Procurement policy](#).

7.8 Contract Award

- 7.8.1** Following the completion of the procurement process a Contract Award Report must be approved by the relevant Committee that approved the commercial strategy as set out in the [Procurement policy](#).

7.9 Contract Signature

- 7.9.1** The Commercial team will arrange for the awarding and sign off the contract in accordance with the limits set in appendix 5 & 6. These limits are based on individual contract value, and for variations or extensions, whole life cost does not apply.
- 7.9.2** For equivalent agreements where there is no financial commitment (e.g. service level agreements, memoranda of understanding, and other equivalent documents), these can be signed in accordance with Appendix 17.
- 7.9.3** Signatory delegated limits for Service Level Agreements with CSUs are detailed in Appendix 5a.

7.10 Managing contracts

- 7.10.1** The [Contract Management Toolkitt](#) must be used to manage and administer contracts in line with the requirement of the Third-Party Assurance Framework.
- 7.10.2** All non-clinical contracts / agreements (including Memoranda of Understanding, Service Level Agreements, Framework Agreements (or call-off contracts under them), Lease Agreements, Licence Agreements or Grants) must be maintained on the Commercial Contracts Register.
- 7.10.3** Regional or National Directors responsible for clinical contracts must ensure that all signed clinical contracts are securely held either with the Commercial team or in a location agreed with the Commercial team.
- 7.10.4** Where any changes to standard NHS Terms and Conditions have been agreed, a copy of this contract must be provided to the Commercial Team for inclusion on the Commercial Contracts Register.
- 7.10.5** CSUs must hold contracts/agreements for their own expenditure in their individual contract registers.

7.11 Contract Variations and Extensions

- 7.11.1** All extensions and variations to an existing contract must be reviewed in advance of being approved to confirm that they are legally possible, that approval to commit funds through an approved business case has been obtained, that they represent best value for money, including financial and non-financial aspects, and they are not being instigated solely to avoid or delay the requirement to conduct procurement.
- 7.11.2** Extensions and variations to existing contracts can only be approved where:
- The value of the approved original business case covers the additional cost. If there is no provision in the original business case for the cost of the extension a new business case will be required; and
 - unless there are exceptional circumstances, the contract performance is satisfactory, and the variation is in line with or complies with Procurement Rules. Procurement Rules cover the extent to which contracts can be amended without the need or a new advertised tender process: and
 - the modification is in line with Regulation 13 of the PSR (for contracts for relevant health

care services).

- 7.11.3 No variation can be granted to a contract awarded below the threshold in the applicable Procurement Rules, where the value of the variation (and of any and all other previous variations) results in the contract value exceeding that threshold, unless this has been approved by NHS England's Commercial Strategy Panel or Commercial Executive Group.
- 7.11.4 The approval requirements for contract variations for clinical and non-clinical expenditure are detailed in appendix 7 and the [Business Case Policy](#).
- 7.11.5 The requirements for CSU contract variations are detailed in appendix 13.
- 7.11.6 All extensions and variations must be agreed, documented, signed and countersigned by all parties or executed as a deed where necessary.

7.12 Making commitments to suppliers through Purchase Orders

- 7.12.1 All commitments to suppliers for goods, works and services must be made on an official purchase order generated from the finance system. All officers are required to follow this approach.
- 7.12.2 The approval limits for the raising of purchase requisitions, purchase credit notes, invoices, non-purchase order invoices and payments are detailed in appendix 8. The approval limits for CSU expenditure on their own activities are detailed in appendix 14.
- 7.12.3 All purchase orders must be raised in advance of a commitment being entered and not on receipt of an invoice. An order raised after an invoice is received will be classed as retrospective and is a breach of these SFIs.
- 7.12.4 The purchase order must be in accordance with agreed contract value and length. This should consist of one contract and one purchase order with a scheduled payment profile.
- 7.12.5 Purchase orders must only be receipted following the delivery of satisfactory goods or services and only for the value of those goods or services delivered.
- 7.12.6 The use of non-PO approvals should be limited to the following exceptions: rent and rates payments; utilities suppliers; and exemptions highlighted in the [Procurement policy](#). Further advice should be sought from the central Financial Control team.
- 7.12.7 Where a business case is required a purchase order can only be raised up to the value of the approved case.

7.13 Ensuring segregation of duties

- 7.13.1 Officers must ensure that effective segregation of duties are maintained throughout the procurement process. This means that the same officer cannot both requisition and approve the procurement of any goods, services or works. This applies to transactions undertaken via purchase orders or on a non-purchase order basis.

7.14 Prepayments

- 7.14.1 In general prepayments will not be permitted. Exceptionally they will be permitted for instances relating to payments for rent, subscription based software licences, maintenance contracts and in those instances, where, as normal business practice,

prepayments are required (e.g. training, publications). Any other requests for prepayments (advance payments) must have prior approval by the Chief Financial Officer and the Department of Health and Social Care before any commitment is made.

7.15 Use of Corporate Procurement Cards

7.15.1 Officers can utilise [Corporate Procurement cards](#) where the use of Purchase Orders is not practicable or feasible in accordance with the Corporate Procurement Card Policy. Corporate Procurement cards must only be used by the named card user with all transactions subject to Commercial oversight and approval.

7.15.2 This policy is overseen by the Chief Financial Officer who is responsible for:

- approving changes to the scope and scale of their use;
- defining the posts or departments that should be issued with a corporate procurement card;
- defining the goods and services that can be purchased on these cards;
- approving the credit limit associated with cards; and
- approving the Corporate Procurement Card policy.

7.15.3 All purchases utilising a Corporate Procurement Card require advance budget holder approval. All requests for annual spend of £10,000 (ex VAT) or higher require advance approval from the Director of Financial Control. Requests for annual spend of under £10,000 (ex VAT) must follow approval processes as agreed with the NHS England Director of Financial Control. In exceptional circumstances the NHS England Director of Financial Control may agree to waive this requirement for either specific cards, cardholders or for transactions with designated organisations. The detail of any such waiver must be documented in writing, in advance of the transaction occurring, by the Director of Financial Control. Any such waivers will be reviewed on annual basis.

7.15.4 Commissioning Support Units that utilise Corporate Procurement Cards are subject to a £1,000 transaction limit and all Corporate Procurement Card policy requirements.

8 Staff costs and staff related non-pay expenditure

8.1 Staff remuneration and Terms of Service

- 8.1.1 NHS England's Strategic Human Resources, People and Remuneration Committee, and the NHS Executive Group of NHS England have established the Executive Human Resources Group ("the Group").
- 8.1.2 The Group, or the relevant Committee or Group, will support the discharge of statutory duties and powers and their combined responsibilities relating to employee policies, employee engagement, recruitment and retention, remuneration policy, termination payments, establishment control and change programmes.
- 8.1.3 In addition to the above, the group will consider and decide on recommendations in respect of integrated care board special severance payments and matters relating to Supply Chain Coordination Limited (SCCL) regarding remuneration.
- 8.1.4 NHS England will pay remuneration and allowances to the Chair and Non-Executive Members of the Boards in accordance with instructions issued by the Secretary of State for Health and Social Care.

8.2 Funded Establishment

- 8.2.1 The workforce plan incorporated within the annual budget will form the funded establishment for that year.
- 8.2.2 The funded establishment of any directorate may not be varied without the approval of the relevant Committee or Sub-Committee or in the case of those aspects of relevant Committee or Sub-Committee responsibilities that are further delegated to Establishment Control Panels, the relevant Establishment Control Panel, in accordance with published [Establishment Control guidance](#).

8.3 Employee Appointments

- 8.3.1 Members of the Board and other Officers may only engage, re-engage or re-grade employees, either on a permanent or temporary nature, or agree to changes in any aspect of remuneration in accordance with the approved Scheme of Delegation, Standing Orders, as relevant, and NHS England's People and Organisation Development policy, procedures and guidance and within the limits of their approved budget and funded establishment. The Chief Executive or the relevant Committee or sub-Committee on their behalf must approve any exceptions in advance and in writing.
- 8.3.2 The Director of Human Resources and Organisation Development is responsible for ensuring procedures are in place to be followed for the appointment of staff on secondment, including staff sourced via NHS IMAS.
- 8.3.3 The Executive HR Group will consider and make recommendations about policies, procedures and guidance that impact on remuneration for People Committee approval.
- 8.3.4 The appointment of Executive and Senior Managers (ESM) or senior medical and dental employees with a remuneration package of £150,000 or more gross per annum (pro-rata), require specific approval, in advance, via the NHS England Executive HR Group and the

Department of Health and Social Care ALB Remuneration Committee and/or HM Treasury.

- 8.3.5** Advice should be sought from the Director of Human Resources and Organisation Development well in advance of the need to undertake any of the above.

8.4 Open ended contract employees

- 8.4.1** All employees of NHS England are subject to the agenda for change, medical & dental, civil service and executive and senior managers terms and conditions, unless other terms are protected following employment transfers protected by the Transfer of Undertakings (Protection of Employment) Regulations 2006.

- 8.4.2** No Employees, on an open-ended contract of employment, are appointed without adherence to the relevant organisation's establishment control guidance and decisions made by the Executive Human Resources Group and Strategic Human Resources and Remuneration Committee of the Board.

- 8.4.3** The Joint Operational Payroll User Group will issue instructions on:

- verifying and documenting data, including time records where appropriate;
- the timetable for receiving and preparing payroll data and the payment of staff; and
- pay advances and their recovery maintaining a system to ensure recovery from leavers of any money due by them to the accountable department, or payment of pay arrears.

- 8.4.4** Line managers have responsibility for:

- prompt submission of forms via the approved payroll system when it is known that a member of staff will join or leave the organisation, or transfer from one cost centre to another within the organisation;
- ensuring that information on leavers is provided in good time to prevent overpayments;
- submitting other notifications in accordance with agreed timetables;
- ensuring that where a member of staff fails to report for duty in circumstances that suggest they have left without notice, informing HR Operations team immediately, who will inform the Payroll Services team; and
- familiarising themselves with policy guidance on overtime payments by banding.

- 8.4.5** The Joint Operational Payroll User Group will ensure that the arrangements for providing payroll services are supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures, and that suitable arrangements are made for collecting payroll deductions and paying these to appropriate bodies.

8.5 Secondees

- 8.5.1** A business case for any secondment into or out of NHS England, including duration and financial arrangements, must be agreed by HR before any commitment is made. All arrangements must be agreed in writing with the external seconding or receiving organisation. No secondment may be agreed unless the necessary budget provision is available and has received the necessary

approval. On return from a secondment, a member of staff will return to their substantive role unless other arrangements are agreed by HR.

8.6 Contracts of Employment

8.6.1 The Director of Human Resources and Organisation Development is responsible for ensuring systems are in place for:

- ensuring that all Employees are issued with a contract of employment in a form approved by the Board and which complies with employment legislation;
- dealing with variations to, or termination of, contracts of employment; and,
- ensuring all volunteers and lay members receive a contract for service that appropriately reflects their status and entitlements, or not, to pay and/or expenses.

8.6.2 Regardless of the arrangements for providing the payroll service, the Joint Operational Payroll User Group will ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit and review procedures, and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

8.6.3 The Director of Human Resources and Organisational Development is responsible for ensuring the contract with the relevant outsourced service provider covers:

- maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- security and confidentiality of payroll information;
- separation of duties of preparing records and inputs and verifying outputs and payments;
- suitable systems for the identification and recording of Off-Payroll workers;
- the final determination of pay and allowances;
- checks to be applied to completed payroll before and after payment;
- ensuring payment occurs on agreed dates; and,
- arrangements for ensuring compliance with the provisions of the General Data Protection Regulation.

8.6.4 Appropriately nominated Officers have responsibility for:

- submitting associated records, and other notifications in accordance with agreed timetables; including when an employee leaves employment; and
- the recovery of property from leavers due by them to NHS England.

8.7 Salary advances, Overpayment and recovery

- 8.7.1** NHS England employees are expected to be truthful and honest in relation to salary overpayment & repayment.
- 8.7.2** Salary advances should be considered as per the [Salary Advances and Overpayments Policy](#).
- 8.7.3** When salary overpayments occur, NHSE will pursue payment in accordance with the debt management guidance. The Joint Operational Payroll User Group (JOPUG) provides oversight, assurance and challenge for the management of faster payments (advances) and any overpayment recovery plans approved outside the normal parameters of the NHS England [Salary Advances and Overpayments Policy](#).

8.8 Redundancy and Severance pay

- 8.8.1** Department of Health and Social Care and/or Ministerial and/or HM Treasury and/or Cabinet Office approval may be required for the following:
- redundancies (subject to a capitalised cost de-minimus);
 - ten or more redundancies, irrespective of cost or capitalised cost;
 - payments in lieu of notice in excess of £50,000 gross (non-contractual);
 - all special severance payments, i.e. any non-contractual payment;
 - all novel, contentious or repercussive cases;
 - change programmes/major restructuring;
 - voluntary redundancy schemes;
 - has a proposed individual severance payment of £100,000 or more; and,
 - confidentiality clauses.
- 8.8.2** Any of the above, incentive or settlement payments requires the approval of the relevant Committee or Sub Committee and/or the Department of Health and Social Care and/or HM Treasury in advance. Advice should be sought from the Director of People and Organisational Development, well in advance of the need to undertake any of the above.

8.9 Staff loans and salary sacrifice

- 8.9.1** Advances to individual members of staff over £20,000 in aggregate require Department of Health and Social Care approval, via the Director of People and Organisational Development.
- 8.9.2** Season ticket loans, up to a maximum value of £5,000, are available to employees with at least 12 months of NHS service.
- 8.9.2** All salary sacrifices schemes are subject to applicable policies. Please refer to the intranet for the various scheme policies.

8.10 Business travel and staff expenses

- 8.10.1** The circumstances under which NHS England reimburse expenses incurred by staff carrying out business activity, as well as other categories of expense, are set out in the respective

[Business Travel and Expenses Policy](#) for NHS England . All employees, in particularly Line Managers and Budget holders should ensure they are familiar with this policy and the applicable guidance document.

9 Accounts & Annual Reporting

9.1 Preparation of Financial returns

9.1.1 The Chief Financial Officer, on behalf of the Board, will:

- ensure the preparation of financial returns in accordance with the accounting policies and guidance given by the Department of Health and Social Care and HM Treasury, the relevant organisation's accounting policies and generally accepted accounting practice;
- ensure the preparation and submission of annual financial reports to the Department of Health and Social Care certified in accordance with current guidelines and prescribed timetable.

9.1.2 NHS England will produce an annual report and accounts, in accordance with HMT Financial Reporting Manual, which will be audited by the National Audit Office and laid before Parliament.

9.1.3 The audited annual report and accounts will be presented to an appropriate public meeting.

9.2 Internal Audit

9.2.1 The Chief Financial Officer is responsible for ensuring that there are arrangements to measure, evaluate and report on the adequacy and effectiveness of internal control and efficient use of resources by the establishment of an adequate internal audit service.

9.2.2 All internal audit services, including the provision of assurance to other organisations over services provided to them by NHS England, are provided under arrangements proposed by the Chief Financial Officer and approved by the Audit and Risk Assurance Committee, on behalf of the Board.

9.2.3 The internal audit charter is a formal document that defines internal audit's purpose, authority, responsibility of the outsourced internal audit activity for the statutory bodies. The Internal Audit Charter is prepared in accordance with the Global Internal Audit Standards in the UK Public Sector.

9.2.4 The Head of Internal Audit will provide an annual opinion on the overall adequacy and effectiveness of the NHS England Board framework of governance, risk management and internal control as they operated during the year, based on a systematic review and evaluation in line with the Global Internal Audit Standards in the UK Public Sector.

9.2.5 Each CSU Managing Director is responsible for providing the assertions and descriptions of controls required by the internal audit provider to be able to provide Service Auditor Reports, and where necessary signing on behalf of NHS England to confirm their accuracy.

9.2.6 The Head of Internal Audit will make suitable provision to undertake assessment on key systems operated by NHS England on behalf of other organisations, where possible under International Standards on Assurance Engagements, under arrangements proposed by the Chief Financial Officer and approved by the Audit and Risk Assurance Committee.

9.2.7 The Head of Internal Audit will make suitable provision to form an opinion on key systems being operated by other organisations, either by deriving the opinions themselves or by relying on the opinions provided by other auditors/review bodies.

- 9.2.8** The Head of Internal Audit will normally attend Audit and Risk Assurance Committee meetings and have a right of access to all Audit and Risk Assurance Committee members, the Chair and Chief Executive of NHS England.
- 9.2.9** Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash or property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Financial Control must be notified immediately.

9.3 External Audit

- 9.3.1** External audit services are provided by the National Audit Office, on behalf of the Comptroller and Auditor General, for NHS England.
- 9.3.2** The External Auditors will issue a management letter as part of the audit output.
- 9.3.3** The Audit and Risk Assurance Committee must ensure a cost-efficient service. If there are any problems relating to the service provided by the external auditor these should be raised with the external auditor and referred to the Audit and Risk Assurance Committee if they cannot be resolved.

9.4 Fraud, Bribery and Corruption

- 9.4.1** NHS England is committed to the prevention, deterrence, detection and investigation of all forms of fraud, bribery and corruption.
- 9.4.2** All fraud, bribery and corruption in the NHS is unacceptable and not tolerated.
- 9.4.3** Appropriate reference to fraud, bribery and corruption should be included in the departmental and organisational risk registers.
- 9.4.4** The Chief Financial Officer is responsible for overseeing and providing strategic management and support for all counter fraud, bribery and corruption work within NHS England including within all its hosted bodies.
- 9.4.5** All counter fraud, bribery and corruption services (including for hosted bodies) are provided under arrangements proposed by the Chief Financial Officer and approved by the Audit and Risk Assurance Committee, on behalf of the Board.
- 9.4.6** ESM oversight, strategic management and support for counter fraud, bribery and corruption within NHS England and hosted bodies is delegated from the Chief Financial Officer to the Director of Financial Control who has the day-to-day oversight. The Counter Fraud Lead will manage the counter fraud, bribery and corruption team for NHS England including working with key partners to ensure the applicable counter fraud standards are appropriately implemented.
- 9.4.7** All Members of the Board and Officers, severally and collectively, are responsible for ensuring NHS England resources are appropriately protected from fraud, bribery and corruption.
- 9.4.8** The Senior Responsible Owners (SRO) must ensure the completion of an Initial Fraud Impact Assessment (IFIA) for any projects or spend activity which meet the Department of Health and Social Care definition of a Major Project Portfolio. It is best practice that this is prior to approval of the funding to aid the decision-making process. The IFIA template and advice should be

sought from the NHS England Counter Fraud Team at england.counter-fraud@nhs.net.

- 9.4.9** Managers should ensure that Officers in their teams are aware of fraud, bribery and corruption risks and understand the importance of protecting NHS England against them.
- 9.4.10** Officers must undertake their Counter Fraud Mandatory Training and report any suspicions of economic crime as soon as they become aware of them to an NHS England Counter Fraud Specialist or NHS Counter Fraud Authority via the routes set out in the [Counter Fraud Policy](#).
- 9.4.11** Under no circumstances should any Officer commence an investigation into an alleged crime, as this may compromise any further investigation into suspected or alleged crime as this may compromise any further investigation.

10 Losses and Special Payments

- 10.2.1** Losses and Special payments are items that HM Treasury would not have contemplated when it agreed funds for Government Departments and related arm's length bodies. Therefore, any expenditure which falls outside the HM Treasury coverage of Parliament approval requires specific approval.
- 10.2.2** NHS England is subject to the delegated schedules detailing approval limits for all irregular payments which are referenced as Losses and Special Payments. They are therefore subject to special control procedures compared to the generality of payments.
- 10.2.3** Approvals of losses and special payments are as per the table below

Losses and Special payments delegated approval limits		
	Job title	Up to and including Limit
Losses	Head of Financial Governance	£100,000
	Director Of Financial Control	£200,000
	Deputy Chief Financial Officer or Chief Financial Officer	£300,000
Special Payments	Head of Financial Governance	£50,000
	Director Of Financial Control	£75,000
	Deputy Chief Financial Officer or Chief Financial Officer	£95,000
<i>Cases that exceed the NHSE delegated limits must be submitted to the DHSC and /or HMT</i>		

- 10.2.4** A loss, write off or special payment will always require HM Treasury consultation or approval, irrespective of value, if it:
- Involves important questions of principle;
 - Raises doubts about the effectiveness of existing systems;
 - Contains lessons which might be of wider interest;
 - Is novel or contentious;
 - Is a special severance payment, a non-contractual payment made as part of an employee's exit;
 - Might create a precedent for other departments in similar circumstances; or,
 - Arose because of obscure or ambiguous instructions issued centrally.
- 10.2.5** All losses and Special Payments should be reported and submitted to the Head of Financial Governance by using the standard template as provided by the Financial Governance team.

10.2 Losses and Write-Offs

- 10.2.1** Losses are defined in the [Losses and Special Payments Guidance](#) and advice can be sought from the Assurance team where cases arise. Losses that are subject to insurance cover should

be accounted for on a net basis (i.e. after any insurance pay out).

- 10.2.2 Any Officer discovering or suspecting a loss of any kind must either immediately inform their Head of Department, who must immediately inform the Chief Financial Officer.
- 10.2.3 If a loss relates to suspected fraud, bribery or corruption, it should be reported directly to the NHS England Counter Fraud Team immediately.
- 10.2.4 Where an offence of arson or theft is suspected, the Chief Financial Officer must immediately inform the police.
- 10.2.5 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Chief Financial Officer must immediately notify the respective Board(s) and the External Auditor.
- 10.2.6 The Chief Financial Officer is authorised to take any necessary steps to safeguard NHS England's interests in bankruptcies and company liquidations.
- 10.2.7 For any loss, the Chief Financial Officer should consider whether any insurance claim could be made.
- 10.2.8 Debts relating to the SBS contract do not require separate approval if based on the debt management policy.
- 10.2.9 All losses and write-offs should be approved in accordance with the procedure set out by the Chief Financial Officer. Where a Loss relates to threatened or instituted legal proceedings, claims or actions, additional provisions as set out in appendix 7 are applicable.

10.3 Special Payments

- 10.3.1 Special payments over £95,000 will require approval by the Chief Financial Officer. Such payments will also need to be submitted to DHSC for onward approval by HM Treasury.
- 10.3.2 All special severance payments and qualifying retention payments require the approval of the relevant Committee or Sub Committee. These items will always require subsequent HM Treasury approval.
- 10.3.3 Managing Public Money defines special payments as;
 - **extra-contractual payments:** payments which, though not legally due under contract, appear to place an obligation on a public sector organisation which the courts might uphold. Typically, these arise from the organisation's action or inaction in relation to a contract. Payments may be extra-contractual even where there is some doubt about the organisation's liability to pay, for example where the contract provides for arbitration but a settlement is reached without it. (A payment made as a result of an arbitration award is contractual.)
 - **extra-statutory and extra-regulatory payments** are within the broad intention of the statute or regulation, respectively, but go beyond a strict interpretation of its terms.
 - **compensation payments** are made to provide redress for personal injuries (except for payments under the Civil Service Injury Benefits Scheme), traffic accidents, damage to property etc, suffered by civil servants or others. They include other payments to those in the public service outside statutory schemes or outside contracts.

- **Special severance payments** are paid to employees, contractors and others outside of normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination of contract.
- **ex gratia payments** go beyond statutory cover, legal liability, or administrative rules, including:
 - payments made to meet hardship caused by official failure or delay; and
 - out of court settlements to avoid legal action on grounds of official inadequacy.
- **payments to contractors outside a binding contract**, for example on grounds of hardship.

10.4 Contingent Liabilities

- 10.4.1** For guidance on contingent liabilities, please refer to the Procedural guidance for Indemnity Cover liabilities as published on the intranet.
- 10.4.2** All contingent liabilities that are novel, contentious or repercussive (NCR) require HMT approval. Contingent liabilities that have a maximum exposure of =>£3m must be submitted to DHSC/HMT for approval.

10.5 Losses and Special Payment Register

- 10.5.1** The Chief Financial Officer is responsible for ensuring that a losses and special payments register is maintained in which write-off action is recorded (including that at CSU level).
- 10.5.2** The losses and special payments register will take account of the Parliamentary disclosure requirement to report on losses over £300,000 and special payments over £95,000.
- 10.5.3** All losses and special payments over £10,000 will be reported to the Audit and Risk Assurance Committee.

11 Capital Investment, Security of Assets and Grants

11.1 Capital Investment

11.1.1 The Chief Financial Officer is responsible for:

- ensuring that there is an effective appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
- ensuring that there are processes in place for the management of all stages of capital schemes, that will ensure that schemes are delivered on time and to cost; and
- ensuring that capital investment is not authorised without evidence of availability of resources to finance all revenue consequences.

11.1.2 For every capital expenditure proposal, the Chief Financial Officer is responsible for ensuring there are processes in place to ensure that a business case is produced.

11.1.3 Capital approval thresholds in the SFIs apply equally to IFRS16-related assets and so entering into leases may require capital funding and capital approval. Business cases with both revenue and capital will be subject to their different approval thresholds, please refer to the [Business Case Policy](#) for further guidance.

11.1.4 Capital commitments typically cover land, buildings, equipment, capital grants to third parties and IT, including:

- Authority to spend capital or make a capital grant;
- Authority to enter into a leasing arrangement;
- Provision to enter into a legally enforceable commissioning commitment to:
 - Support the revenue implications of a third party (e.g. NHS Property Services Limited, Community Health Partnerships Limited a Public/Private Partnership (PPP) vehicle or a provider trust) investing capital, or entering into a lease commitment; and/or
 - Any other confirmation of commissioning commitment or support if the context for the expression of that commitment or support involves any departure or derogation from standard national policies applying at the relevant time.

11.1.5 Advice should be sought from the Deputy Director- Insight and Analysis for Finance if there is any doubt as to whether any proposal is a capital commitment requiring formal approval.

11.1.6 No procurement should be undertaken, or commitment given to purchase from a supplier prior to approval being received.

11.1.7 When allocated resources are used to procure NHS England assets, Budget Holders and budget managers are responsible for the management of all aspects of this capital expenditure, including the availability of the necessary resources and cash financing of the asset through its acquisition and life.

11.1.8 Budget Holders must ensure that any capital grant issued is used for its intended purpose and ensure appropriate legal agreements are in place to secure NHS England investment if there

is a change in use of the asset the grant has been provided for.

- 11.1.9** Capital Grants issued in respect of Primary Care should be issued in accordance with the Primary Care Cost Directions. Primary Care Commissioning Teams must ensure any capital grant issued is appropriately documented and assessed to enable appropriate management of GP contracts.
- 11.1.10** Capital expenditure must be funded from resources allocated for that purpose. No virement is permitted from capital budgets to revenue spending (please refer to SF112.1 Switches and Virements). There may be flexibility to use capital budgets for revenue purposes, but this must be discussed and agreed by the Director of Financial Control.
- 11.1.11** The Chief Financial Officer is responsible for ensuring there are processes in place for the issue of procedures for the regular reporting of expenditure and commitment against authorised expenditure.
- 11.1.12** The approval of a capital programme and any scheme within the programme does not constitute approval for expenditure.
- 11.1.13** The Chief Financial Officer is responsible for ensuring there are processes in place to issue to the Officer responsible for any scheme:
- specific authority to commit expenditure
 - authority to proceed to tender; and,
 - approval to accept a successful tender.
- 11.1.14** The Chief Financial Officer is responsible for ensuring there are processes in place to issue procedures governing financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures should fully consider the delegated limits for capital schemes issued by the Department of Health and Social Care as detailed in appendix 18.

11.2 Capital Expenditure

- 11.2.1** Capital expenditure approvals are documented in appendix 18.
- 11.2.2** Delegated Capital expenditure approval limits apply for investment in property, Infrastructure or information and communications technology.
- 11.2.3** In addition, commitments to capital expenditure on items covered by Cabinet Office Controls are subject to the efficiency centralised category procurement requirements detailed in the procurement policy for the respective organisation.

11.3 Fixed and leased asset registers

- 11.3.1** The Financial Control Directorate is responsible for arranging maintenance of registers of fixed assets including leased assets under IFRS 16.
- 11.3.2** The Financial Control Directorate is responsible for ensuring that additions to the fixed/leased asset registers are clearly identified to an appropriate Budget Holder and are validated by reference to:
- properly authorised and approved agreements, architect's certificates, supplier's invoices and

other documentary evidence in respect of purchases from third parties;

- lease agreements for assets held under a finance lease and capitalised.

11.3.3 The Director of Financial Control shall approve procedures for routine reconciliation of balances on fixed/leased assets accounts in ledgers against balances on fixed/leased asset registers, and for reporting of the results.

11.3.4 The Director of Financial Control shall ensure that appropriate accounting policies are adopted to ensure appropriate ongoing valuation of all assets.

11.3.5 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).

11.3.6 The value of each asset will be depreciated using methods and rates as specified in NHS England's accounting policies estimated useful lives and depreciation rates of assets will be reviewed as per the NHS England capital guidance.

11.3.7 Budget Holders are responsible for ensuring that arrangements are in place to physically check the existence of assets and inventories for their areas on an annual basis.

11.3.8 The Director of Financial Control is responsible for ensuring there are processes in place to maintain an up-to-date register of properties owned or leased by NHS England. This should include details of location, tenancy (where appropriate), and custody of the deeds and lease documents.

11.3.9 The Commissioning Support Unit (CSU) Managing Director is responsible for ensuring that the CSU maintains an up-to-date asset register and asset inventory register.

11.4 Non-current assets

11.4.1 The Director of Financial Control will maintain a register of non-current assets and record the values and depreciation of these assets in accordance with the applicable accounting standards.

11.5 Disposal of assets

11.5.1 The Director of Financial Control must prepare procedures for the disposal of assets and ensure that these are notified to Budget Holders. This includes NHS England's assets held by other bodies such as Integrated Care Boards.

11.5.2 All discrepancies revealed by verification of physical assets to any fixed/leased asset register shall be notified to the Director of Financial Control as soon as practicable.

11.5.3 Assets identified as surplus should be disposed of promptly i.e. within the timetables set out in the Government Accounting Manual and other HM Treasury guidance. Surplus equipment and furniture assets should normally be sold.

11.6 Security of assets

11.6.1 The overall control of NHS England assets is the responsibility of their respective Accounting Officer. All Officers, collectively and severally, are responsible for the security of property of their

organisation.

- 11.6.2** Budget Holders must ensure that local guidance includes asset control procedures (including those covering fixed/leased assets).
- 11.6.3** Where practical, assets must be marked as NHS property. Particular care should be taken to safeguard valuable portable items such as laptops, desktops and mobile phones.
- 11.6.4** Asset control procedures (including fixed/leased assets, inventories, and donated assets) must be approved by the Chief Financial Officer. These procedures must make provision for:
- Recording managerial responsibility for each asset;
 - Identification of additions and disposals;
 - Identification of all repairs and maintenance expenses;
 - Physical security of assets;
 - Periodic verification of the existence of, condition of, and title to, assets recorded;
 - Identification and reporting of all costs associated with the retention of an asset; and,
 - Reporting, recording and safekeeping of cash, payable orders, and negotiable instruments.
- 11.6.5** A substantial or persistent breach of agreed security practices must be reported to the Security Management Co-ordinator, who will then refer the matter to the Chief Financial Officer, who will determine the necessary action, including investigation.
- 11.6.6** Any damage to NHS England's premises, vehicles and equipment or any loss of equipment or supplies must be reported by Officers in accordance with the agreed procedure for reporting losses.

11.7 NHS England Financial Assistance and Revenue Grants

- 11.7.1** The Chief Financial Officer is responsible for providing robust management, governance and assurance to NHS England with regards to the use of specific powers under which it can make grants and provide financial assistance.
- 11.7.2** The Chief Financial Officer assigns the operational responsibilities to the Commercial Strategy Panel and Commercial Executive Group the responsibility to provide governance and assurance to NHS England (and any Devolved authority) with regards to the use of specific powers under which it can make financial assistance and revenue grants awards.
- 11.7.3** The relevant financial assistance powers for NHS England are:

Title	Description
Paragraph 13, Schedule 1 of the NHS Act 2006	Power to give financial assistance to persons conducting research
s13X NHS Act 2006	Power to make payments by way of grant or loan to a voluntary organisation which provides or arranges for the provision of services similar to services in respect of which NHS England has functions.
13YA of the NHS Act 2006	Power to give financial assistance to ICBs, to persons providing services for the purposes of the health service (for example, providers of community Pharmacy services), and to public authorities in relation to the education and training of health care workers.
s256 of the NHS Act 2006	Powers to make payments to Local authorities in specified circumstances related to community services
s257 of the NHS Act 2006	Power to make payments to voluntary organisations in specified circumstances related to community services
s97 Care Act 2014 & s63 Health Services and Public Health Act 1968	Grant-making power (exercisable with treasury approval) in connection with arrangements for the education and training of health service workers
s96, s112 and s124 NHS Act 2006	Financial assistance powers in relation to providers of primary medical services, primary dental services and primary ophthalmic services [Note: these powers are now primarily exercised by ICBs under the delegation of primary care functions, although NHS England could still exercise them]

- 11.7.4** All revenue grant applications should be regarded as competed as a default position, unless there are justifiable reasons why the classification should be amended to non-competed.
- 11.7.5** All Financial Assistance applications will be assessed based on the applicable statutory act.
- 11.7.6** Revenue grants should be awarded and governed in accordance with NHS England's powers under the NHS Act 2006, and the NHS England Grants policy and guidance.
- 11.7.7** Financial Assistance applications must be submitted to the Primary Care Team (and escalated to the local Primary Care Delivery & Oversight Group) for review and submission to the Legal team.
- 11.7.8** Financial Assistance should be awarded and governed in accordance with the relevant Primary Medical Care Policy and guidance.
- 11.7.9** All financial transactions are subject to the procurement policy and Governance manual to support financial probity, regularity and value for money. Grant and financial assistance applications should have an NHS England Senior Responsible Owner whose core responsibilities and accountabilities include:
- Oversight of the governance and sign-off process to ensure due regard is given to priority areas;
 - Ensuring a sign-off of the grant/financial assistance agreement/ terms and conditions to the relevant approval panel (Commercial Strategy Panel and/or Commercial Executive Group);
 - Ensuring details of the grant/financial assistance are recorded on the appropriate system in accordance with the relevant policy;
 - Oversight and sign-off of scheduled meetings and annual reviews in relation to grants which cover multiple years; and

- Reducing the cost of administering grants and financial assistance.

11.8 Financial Assistance applications:

11.8.1 Business cases for Financial Assistance must be completed showing that they:

- Support NHS England functions and objectives;
- demonstrates value for money; and
- is proportionate to the identified need.

11.8.2 Business cases for financial support must not exceed £200,000 and/or be for a period of longer than 3 months.

11.8.3 Any exceptions must be approved by the Financial Business Partner by confirming the availability of revenue resources.

11.8.4 Provision of financial assistance must be reported and logged locally.

11.8.5 The approval route for financial assistance applications, is dependent upon whole life value (including any non-recoverable VAT) as follows :

0 - £50k	£50k to £200k	£200k to £1m	Above £1m
Deputy appointed by Director of Primary Care and System Transformation	Director of Primary Care and Public Health	Chief Financial Officer	Department of Health and Social Care/HMT

12 Legal

12.1 Payments or Recovery in Legal actions

- 12.1.1** This section applies to any legal cases threatened or instituted by or against NHS England. This can include clinical and non-clinical matters, whether dealt with by a Court or other judicial body, such as the Primary Care Appeals Service. These cases need not necessarily involve any financial claim. The matter could be a challenge to reverse a decision.
- 12.1.2** However, where threatened or instituted legal action arises, payments made to or recovered from other parties in the matter (third parties) may be treated as a Loss, a Special Payment, a combination of both, or neither. The advice of the relevant Legal team must be sought in these situations if they are not already involved in the matter.
- 12.1.3** As a rule, a payment made to comply with a court judgement or costs order will not be a special payment, as this should be treated as a liability to pay and follow procedures for normal authorisations.
- 12.1.4** Where any document needs signing or acknowledging in relation to such threatened or instituted legal action, including where its execution will incur a liability to pay or recover a sum of money, provided the relevant Employee (following any procedure for Losses and Special Payments) authorises the matter, legal representatives may execute such documentation where appropriate (e.g. not in the case of an individuals' Statement of Truth).
- 12.1.5** Payments made to settle a case or actions which involve waiving a claim already made should be treated as Losses or Special Payments (depending on the facts) and the processes in SFI11 should be followed.

12.2 In House legal costs

- 12.2.1** If in-house legal costs are recoverable by way of settlement or Court Order, the Director of Legal (if a qualified solicitor or barrister) or one of the Deputy Directors of Legal (again, must be a qualified solicitor or barrister) is to determine the appropriate hourly rate of recovery with regard to the level of experience, the solicitors' guideline hourly rate in force and any relevant case law.

12.3 Professional Services: Legal

- 12.3.1** Legal services are subject to both centralised category procurement and efficiency controls.
- 12.3.2** All spend for external legal advice must be approved in the case of NHS England by the Director of Legal or their nominated deputy.
- 12.3.3** CSUs and other hosted bodies can requisition and pay for their own legal spend (as part of their local accounting practice and these SFIs) but are required to call off from the notified framework arrangements. The exception to this is if a CSU is working for NHS England in relation to an NHS England commissioning function; in this circumstance, the requisition for legal advice must come via the NHS England legal team.
- 12.3.4** Advice should be sought from the NHS England legal team in relation to, for example, any issued proceedings, potential claims correspondence, legal support requirements when planning or executing any programme of work at; england.nhse.legal@nhs.net

13 Insurance

13.1 General Principles

- 13.1.1** Central Government has a presumption against the use of commercial insurance. NHS England is required, before any contract for commercial insurance is taken up, to complete a cost-benefit analysis which shows this is justified on a cost basis. The exception to this being for overseas travel.
- 13.1.2** The Board will decide if NHS England will insure through the risk pooling schemes administered by NHS Resolution or self-insure for some or all of the risks covered by the risk pooling schemes. The calculations should be prepared by the Central Financial management Team and reviewed by the Director of Financial Control for the CFO to make a recommendation to the Board. This decision should be reviewed annually.
- 13.1.3** No commitment of NHS England funds to ensure costs shall be entered without the written authority of the Chief Financial Officer, who must ensure that all necessary authorisations are obtained, and conditions met.

13.2 Insurance: Arrangements with Commercial Insurers

- 13.2.1** HM Treasury approval is required for any insurance arrangements with commercial insurers. There are, however, three exceptions when NHS England may enter into insurance arrangements with commercial insurers without seeking HM Treasury approval. The exceptions are.
- 13.2.2** Commercial arrangements for insuring motor vehicles owned or leased by NHS England including insuring third-party liability arising from their use;
- Where NHS England is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into; and
 - Where income generation activities take place, these should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by NHS England for NHS purposes the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from NHS Resolution.

13.3 Arrangements to be followed by the Board in Agreeing Insurance Cover

- 13.3.1** Where the Boards decide to use the risk pooling schemes administered by NHS Resolution, the Chief Financial Officer is responsible for ensuring systems are in place to ensure that the arrangements entered are appropriate and complementary to the risk management programme. The Chief Financial Officer is responsible for ensuring systems are in place to ensure that documented procedures cover these arrangements.
- 13.3.2** Where the Boards decide not to use the risk pooling schemes administered by NHS Resolution for one or other of the risks covered by the schemes, the Chief Financial Officer will ensure that the Boards are informed of the nature and extent of the risks that are self-insured

because of this decision. The Chief Financial Officer is responsible for ensuring systems are in place to draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.

14 Appendix 1 – Statutory Framework

14.1 NHS England – Statutory Framework

14.1.1 NHS England is a statutory body established under section 1H of the National Health Service Act 2006 (as amended). NHS England is governed by the National Health Service Act 2006, the Health & Social Care Act 2012, the Care Act 2014 and the Health and Care Act 2022 (each as amended) and by secondary legislation made under these Acts.

14.1.2 The objectives and requirements of NHS England for each financial year are set in the annual mandate published by the Secretary of State for Health and Social Care in accordance with section 13A of the NHS Act 2006 (as amended).

14.1.3 The functions of NHS England are conferred by the Acts and secondary legislation referred to above. They are primarily set out in:

- Section 1H and Chapter A1 of Part 2 of, and Schedule A1 to, the National Health Service Act 2006 (as amended);
- Chapters 3 and 4 of Part 3, and Chapters 2 and 3 of Part 9, of the Health and Social Care Act 2012; and
- Chapter 1 of Part 3 of the Care Act 2014.

15 Appendix 2 – Definitions

Accounting Officer	means the person responsible and accountable for resources within the control of NHS England, in accordance with the requirements of the HM Treasury Guidance Managing Public Money. Under paragraph 15 of Schedule A1 to the NHS Act 2006 the Accounting Officer for NHS England is the Chief Executive.
Board	means the Executive Members and Non-Executive Members of NHS England collectively, operating as a unitary board, with the non-executive and executive members making decisions as a single group acknowledging they share the same responsibility and liability.
Budget	means a resource, expressed in financial terms, proposed by the relevant Board or Boards for carrying out, for a specific period, any or all the functions of NHS England as the case may be.
Budget Holder	means an Officer with delegated authority to manage finance (income and/or expenditure) for a specific area of NHS England
Budget Manager	means an Officer who has the day-to-day responsibility for running and monitoring a budget on behalf of a Budget Holder.
Chair	<p>means the person appointed by the Secretary of State for Health and Social Care under paragraph 2(1)(a) of Schedule A1 to the NHS Act 2006</p> <p>In addition, a reference to the “Chair” in relation to meetings of the Board if the Chair is absent from a meeting or is otherwise unavailable, shall be deemed to include the Deputy Chair(s) or such other person appointed in accordance with SO5.10</p>
Chief Executive	means the Chief Executive of NHS England appointed pursuant to paragraph 3 of Schedule A1 to the NHS Act 2006.
Chief Financial Officer Committee	means the Chief Financial Officer of NHS England means a committee appointed by the Board, which reports to the Board.
Corporate Director	<p>means a director designated as a National Director, other than a Regional Director; in particular:</p> <ul style="list-style-type: none">• Chief Executive Officer• Deputy Chief Executive Officer• Chief Financial Officer• Chief Nursing Officer• Co-Medical Director - Primary Care• Co-Medical Director - Secondary Care• Urgent and Emergency Care and Operations Director• Elective, Cancer and Diagnostics Director

- Strategic Adviser
- Executive Director of Strategy
- Clinical Transformation Director
- National Director of Primary Care, Community Services and Vaccination and Screening
- Financial Reset and Accountability Director
- Interim Chief Workforce, Training and Education Officer

CSU	means Commissioning Support Unit.
Deputy Chair(s)	means the Non-Executive Member(s) appointed by the Board to take on the Chair's duties if the Chair is absent for any reason
Executive Member	means a Member of the Board appointed under paragraph 3 of Schedule A1 to the NHS Act 2006 (and does not include an Officer attending the Board in a non-voting capacity), currently: Chief Executive Officer Deputy Chief Executive Officer Chief Financial Officer Chief Nursing Officer Co-Medical Director – Primary Care Co-Medical Director – Secondary Care Executive Director of Strategy Urgent and Emergency Care and Operations Director
HSCA 2012	means Health and Social Care Act 2012.
Member	means a Non-Executive Member or Executive Member of the Board as the context permits.
NHS England Employee	means a person paid via the payroll of NHS England, or for whom NHS England has responsibility for making payroll arrangements, and secondees out of NHS England or to NHS England but excluding Non-executive Members.
National Director	means a director of NHS England who is a member of the NHS Executive, including both Corporate and Regional Directors.
NHS Act 2006	means National Health Service Act 2006 (as amended).
Nominated Employee	means Corporate Director, Regional Director, Managing Director of Commissioning Support Unit, Director of Sustainable Development Unit, and/or Managing Partner NHS Interim Management and Support (IMAS), as appropriate (unless otherwise stated in a schedule appended to the Scheme of Delegation nominated to carry out a specific task/function within Standing Orders and/or Standing Financial Instructions and/or the Scheme of Delegation.
Non-Executive Member	means a member of the Board who is appointed under paragraph 2(1)(a) or (b) of Schedule A1 to the NHS Act 2006.
Officer	means an Employee or any other person holding a paid appointment or office with NHS England including its hosted bodies.

Procurement Rules	means the Public Contracts Regulations 2015 (PCR), the Procurement Act 2023, the Health Care Services (Provider Selection Regime) Regulations 2023, the Concessions Contracts Regulations 2016, the Public Services (Social Value) Act 2012 (in each case as amended from time to time).
Regional Director	means a member of the NHS Executive who is the overall director of one or more of the 7 NHS England Regional Teams
Scheme of Delegation	means the document setting out the arrangements for the delegation of functions within NHS England
Secretary	means a person appointed to provide advice on corporate governance issues to the relevant Board and its Chair, and to monitor that Board's compliance with the law, Standing Orders, Scheme of Delegation, Standing Financial Instructions, and guidance issued by the Secretary of State for Health and Social Care.
Secretary of State for Health and Social Care	means the UK Cabinet Minister responsible for the Department of Health and Social Care.
SFI	means Standing Financial Instruction
SO	means Standing Order.

16 Appendix 3 – Income Contract and Contract Variation Approval and Signing

These contractual limits are applicable to income generation initiatives in accordance with the requirements of the NHSE business plan and a balanced Budget. These limits are also applicable to fees and income. Please refer to SFI 5.4 for further guidance.

	Level To £100k	Level To £500k	Level To £1m	Level To £10m	Level Over £10m
Approvers and /Or Restrictions	Band 8A - 8D	Band 9	Directors	Transformation Executive Team	Chief Executive Officer
				Or	Or
				Chief Strategy Officer	Chief Financial Officer
				Or	Or
				Chief Workforce, Training and Education Officer	Deputy Chief Financial Officer - Operational Finance
Or	Or				
				Director of Financial Control	Deputy Chief Financial Officer - Strategic Finance

17 Appendix 4 – Sales Order delegated limits

The limits detailed below represent the transactional delegated limits and not contractual values for sales invoices and credit notes.

	Up to £50k	Up to £100k	Up to £1m	Up to £5m	Up to £20m	Above £20m
Approvers and/or restrictions	AFC Band 8A-D Budget Holders	AFC Band 9 Budget Holders	Directors (ESM) Or CFO Chief of Staff Or Regional Director of Finance	Transformation Executive Team Or Chief Strategy Officer Or Chief Workforce, Training and Education Officer	Deputy Chief Financial Officer - Strategic Finance Or Deputy Chief Financial Officer - Operational Finance Or Director of Financial Control	Chief Executive Officer Or Chief Financial Officer

18 Appendix 5 – Contract Signing: non-clinical expenditure contracts

The table below represents the contractual signing limits applicable to non-clinical business cases. Please refer to SFI 7 for further guidance.

Whole life contract value (including extension periods but excluding VAT)	Non clinical expenditure				
	Up to £1m	Up to £5m	Up to £10m	Up to £20m	Over £20m
Approvers	Commercial Associate Director Or NHP Programme Director	Director of Commercial Delivery	Director of Commercial Delivery and Governance Or Deputy Director Central Financial Management Or Director of Financial Oversight and Delivery	Director of Financial Control Or Deputy Chief Financial Officer Operational Finance Or Deputy Chief Financial Officer Strategic Finance	Chief Executive Or Chief Financial Officer
	Subject to an approved business case				

*Note not all commercial associate directors will be able to sign all contracts up to £1m; limits may be reduced depending on the category of spend that the individuals are responsible for.

19 Appendix 5a - Contract Signing: Non-clinical expenditure SLAs with CSUs

Proposed Position/Invoice Value	Non clinical expenditure with CSU's (to be submitted via Atamis)					
	Up to 100k	up to £1m	Up to £2.5m	Up to £5m	Up to £20m	Over £20m
Approvers and / or Restrictions	AFC Band 9	Commercial Associate Director	Director of Commercial Delivery and Governance	Director of Capital	Deputy Chief Financial Officer - Strategic Finance	Chief Executive
		or		or	Or	or
		Director of Commercial Delivery		Director of Financial Oversight and Delivery	Deputy Chief Financial Officer - Operational Finance	Chief Financial Officer
		or		or	Or	
		NHP Programme Director		Deputy Director Central Financial Management	Director of Financial Control	
Subject to approved business case						

20 Appendix 6 - Contract Signature: Clinical expenditure contracts

The table below represents the contractual signing limits applicable to clinical business cases. Please refer to SFI 7 for further guidance.

Whole life contract value (including extension periods but excluding VAT)	Contract Signature limits for Clinical Services			
	Up to £100m	Up to £250m	Up to £750m	Over £750m
Approvers	Regional Director of Specialised Commissioning, Armed Forces, Health and Justice Or	Director of Commissioning Finance	Director of Specialised Commissioning, Health Justice and Armed Forces Or	Chief Executive Officer Or
	Regional Director of Public Health and Primary Care		Deputy Chief Financial Officer - Strategic Finance Or Deputy Chief Financial Officer - Operational Finance Or Regional Director of Finance Or Regional Director of Commissioning	Chief Financial Officer

21 Appendix 6a - Contract Signing: limits for Clinical Education and Training contracts

The table below represents the contractual signing limits applicable to clinical education and training activity governed by education funding agreement [NHS England » NHS Education Funding Agreement 2024-27](#)

Contract Signature limits for Clinical Education and Training			
Whole life contract value (including extension periods but excluding VAT) Approvers	Up to £100m	Up to £500m	Over £500m
		Regional Directors of Workforce	Chief Workforce, Training & Education Officer Or Deputy Chief Financial Officer - Strategic Finance Or Deputy Chief Financial Officer - Operational Finance Or Director of Financial Control Or Regional Director of Finance

22 Appendix 7 – Approvers of expenditure Contract Variations and Extensions

The table below represents the contract variation limits applicable to clinical and non-clinical contracts. Please refer to SFI 7 for further guidance.

Non-Clinical Expenditure under the Procurement Contract Regulations or Procurement Act 2023			
Variations or extensions must be: a) approved in line with: i. the procedures set out in the Procurement rules. ii. the limits set out in the business case policy, and the efficiency controls. b) signed in accordance with the limits set out at Appendix 5 of these SFIs	Authorisation Authority where extra expenditure is fully covered by an existing approved business case	Authorisation Authority where extra expenditure is not fully covered by an existing approved business case	
		A full business case is not required.	Will require a new fully approved business case.
Relevant health care services under the Provider Selection Regime where modification is permitted			
Requisition/ Invoice Value - Non Clinical Services	Up to £12.5m	Up to £50m	Up to £250m
Where the value of the permitted modification is of the following values (Modification guidance under PSR is available here)	Regional Director of Public Health and Primary Care (up to £12.5m).	National Director Regional Director of Specialised Commissioning, Armed Forces, Health and Justice Or Regional Director of Commissioning Finance (up to £50m); or	Regional Director of Commissioning

Modifications to relevant Health Care Services under the PSR executed by The NHSE National Commercial Team are permitted to follow the approval route in line with non-clinical expenditure.

23 Appendix 8: Approval Limits for all purchase requisitions, credit notes, invoices, non-Purchase Order invoices and payments (non-clinical)

Requisition/ Invoice Value - Non Clinical Services	Up to £50k	Up to £100k	Up to £1m	Up to £5m	Up to £20m	Above £20m
Approvers and/or restrictions	AFC Band 8A-D Budget Holders	AfC Band 9 Budget Holders	Directors (ESM) Or CFO Chief of Staff Or Regional Director of Finance	Transformation Executive Team Or Chief Strategy Officer Or Chief Workforce, Training and Education Officer	Deputy Chief Financial Officer - Strategic Finance Or Deputy Chief Financial Officer - Operational Finance Or Director of Financial Control	Chief Executive Officer Or Chief Financial Officer Or NHSE Executive Team

24 Appendix 8a – Approval Limits for all purchase requisitions, credit notes, invoices, non-Purchase Order invoices and payments (clinical)

Requisition/ Invoice Value - Clinical Services	Up to £250m	Up to £750m	Over £750m
<p align="center">Approvers</p>	<p align="center">Director of Commissioning Finance</p>	<p align="center">Director of Specialised Commissioning, Health Justice and Armed Forces</p> <p align="center">Or</p> <p align="center">Deputy Chief Financial Officer – Strategic Finance</p> <p align="center">Or</p> <p align="center">Deputy Chief Financial Officer – Operational Finance</p> <p align="center">Or</p> <p align="center">Regional Director of Finance</p>	<p align="center">Chief Executive Officer</p> <p align="center">Or</p> <p align="center">Chief Financial Officer</p>

25 Appendix 9: CSU Business Case Approval Route

Approval limits	Up to £400k	Over £400k - £1m	Over £1m - £10m	Over £10m
Delegation	CSU Managing Director in accordance with CSU Operating Framework	Joint approval by the Director CSU Transition Programme and the Director of Finance and Assurance CSU Transition Programme.	Commercial Strategy Panel*	Commercial Executive Group*

The approval routes for all CSU revenue business cases. Please refer to SFI 7.8 and 7.9 for further guidance.

26 Appendix 10: CSU Contract Award Approval Limits

The approval route to enable CSUs to award a contract or framework agreement for CSU revenue expenditure following the completion of a contract award report.

Up to £400k	Over £400k - £10m	Over £10m
CSU Managing Director	Commercial Strategy Panel	Commercial Executive Group

27 Appendix 11: CSU Contract Signing limits for expenditure

Commissioning Support Unit (CSU) expenditure on their own activities (Clinical Commissioning Groups, NHSE and other Commissioners)					
Whole life contract value (including extension periods but excluding VAT) Approvers and/or restrictions	As set by CSU MD in approved Operating Framework	Up to £400k	Up to £1m	Up to £15m	Over £15m
	Afc Band 5-8	CSU Managing Director		Deputy Director of Central Financial Management Or Deputy Director of Financial Systems & Services	Director of Financial Control Or Deputy Chief Financial Officer - Strategic Finance Or Deputy Chief Financial Officer - Operational Finance
			(subject to prior recommendation by the CSU Transition Team)	Subject to prior recommendation by the Commercial Strategy Panel or Commercial Executive Group as per Business Case Policy	

The table represents the contractual signing limits applicable to clinical and non-clinical contracts. For further guidance refer to SFI 7 and the applicable CSU operating frameworks.

28 Appendix 12: CSU Service Level Agreements and Contract signing

CSU Managing Directors or Director of Financial Control are authorised to sign and approve CSU contracts, contract variations, sales and credit note requests against service level agreements and contracts for services provided to Integrated Commissioning Boards, NHS England for direct commissioning support and other commissioners without financial limit, subject to the value being in line with the signed agreement or contract. Please refer to SFI 5 and applicable CSU operating framework.

Commissioning Support Unit (CSU) expenditure on their own activities				
Whole life contract value (including extension periods but excluding VAT)	As set by CSU MD in operating framework	As set by CSU MD in operating framework	unlimited	unlimited
Approvers and/or restrictions	Band 8a to 8c	Band 8d to 9 (subject to prior recommendation by the CSU Transition Team)	CSU Chief Financial Officer	CSU Managing Director

29 Appendix 13: CSU Contract Variations for expenditure on own activities

Value of variation	Authorisation authority
Up to 10% of the original contract value subject to a maximum value variation of £400k	CSU Managing Director with recommendation from the CSU Procurement Lead.
Between 10 - 30% of the original contract value subject to a maximum value variation of £750k	Commercial Strategy Panel
Between 30 - 50% of the original contract value	Commercial Executive Group

This table represents the approvals required for contract variations, additional guidance is as reference in SF15.7.

30 Appendix 14: CSU Approval Limits – All purchase requisitions, credit notes, invoices and non-PO invoices for spend

The approval limits apply to all purchase requisitions, credit notes, invoices and non- PO invoices for CSU spend. A signed contract must always be in place for any spend. * CSUs have the discretion to agree in their operating framework a more precise definition of the roles and bandings (subject to the maximum levels in (Appendix 14) that can approve at these different limits.

Requisition/ Invoice Value	Up to 50k*	Up to £100k*	Up to £200k*	Up to £500k*	Up to £1m	Up to £5m	Above £5m
	Band 8A-C: Up to £50k Band 7: Up to £30k Band 6: Up to £10k Up to Band 5: Up to £5k	Band 9 and 8D	Other directors and ESMs	Deputy Managing Directors or CSU Chief Financial Officers	CSU Managing Director or Deputy Director of Central Financial Management or Deputy Director of Financial Systems & Services	Director of Financial Control or Deputy Chief Financial Officer - Strategic Finance, or Deputy Chief Financial Officer - Operational Finance	Chief Executive Officer or Chief Financial Officer

31 Appendix 15: CSU Sales Orders and Credit notes delegated limits

Requisition/ Invoice Value	Up to 50k*	Up to £100k*	Up to £200k*	Up to £500k*	Up to £1m	Up to £5m	Above £5m
	Band 8A-C: Up to £50k Band 7: Up to £30k Band 6: Up to £10k Up to Band 5: Up to £5k	Band 9 and 8D	Other directors and ESMs	Deputy Managing Directors or CSU Chief Financial Officers	CSU Managing Director or Deputy Director of Central Financial Management or Deputy Director of Financial Systems & Services	Director of Financial Control or Deputy Chief Financial Officer - Strategic Finance, or Deputy Chief Financial Officer - Operational Finance	Chief Executive Officer or Chief Financial Officer

32 Appendix 16 Supply Chain Coordination Limited Shareholder Matters

32.1 Introduction

- 32.1.1** Supply Chain Coordination Limited (SCCL) was transferred from the Department of Health and Social Care to NHS England on 1 October 2021.
- 32.1.2** SCCL is a UK incorporated company and its Articles of Association include a range of matters reserved for shareholder decision. These will fall to the NHS England Board to approve prior to SCCL's Directors proceeding with any of these matters.
- 32.1.3** This appendix sets out the specific matters reserved for NHS England Board approval and delegated to other NHS England Committees or the NHS England Chief Financial Officer.

32.2 Board approval

- 32.2.1** Prior to Board approval, all proposals below would require a recommendation from the Chief Financial Officer, in consultation with other Executive Directors as appropriate.
- 32.2.2** SCCL shall not, without prior approval from the NHSE Board do any of the following in relation to share capital:
- issue any shares, or consolidate, subdivide or convert any shares in the company, or create or grant any option or rights to subscribe for shares or convert into shares in the company;
 - re-purchase or cancel any shares by the company, or capitalise, repay, reduce or distribute the amount (if any) standing to the credit of its share premium account or capital redemption reserve (if any) or any other reserve, or carry out any other reorganisation or reduction of the share capital of the company (excluding for these purposes the payment of any dividend);
 - vary the authorised or issued share capital in the company; or
 - acquire any shares or other interest in, or make any investment in, another company or business, or incorporate any subsidiary or dispose of any shares or dilute any interest in a subsidiary.
- 32.2.3** SCCL shall not, without prior approval from the NHSE Board introduce new shareholders.
- 32.2.4** SCCL shall not, without prior approval from the NHSE Board do any of the following in relation to company articles of association or memorandum of association:
- make any arrangements with creditors generally or commence any winding-up or dissolution of or appoint any liquidator, administrator or administrative receiver of the company or any of its assets unless it shall have become insolvent, present or cause to be presented or allow any act which would result in the winding up or the presentation of any petition for the winding up of the company;
 - refinance, securitise and/or sell any existing debt or investment of the company unless falling

within the terms of a protocol or operational model which has been pre-agreed with the shareholder;

- enter into any contract that is not within the ordinary course of business of the company;
- approve the business plan (and included therein annual budget), and any material amendments to it agreed by the SCCL Board;
- enter into any contract or arrangement that is other than in the furtherance of health and social care and/or does not further the key objectives of the NHS Supply Chain;
- other than disclosed and approved in the business plan, participate in any partnership or joint venture (incorporated or not), or any revenue-sharing or profit-sharing agreement; and
- declare or make any distribution.

32.2.5 SCCL shall not, without prior ratification from the NHSE Audit and Risk Assurance Committee and approval of the NHSE Board do any of the following:

- effect any significant change in the accounting principles and practices for the time being adopted by the company or change the accounting reference date;
- make any change to the general investment criteria to be applied by the company or the purposes to which the company applies its resources; and
- appoint or remove the external or internal auditors of the company

32.3 Committee Group approval

32.3.1 SCCL shall not, without prior approval from the relevant Committee or Group do any of the following:

- Enter into any single contract (excluding contracts in respect of employees, secondees, and consultants acting in a personal capacity and contracts included in the Business Plan, including the Annual Budget) including any commitment to spend £1,000,000 or more (on an annualised basis during the financial year in which the contract is entered into)
- matters can be escalated to NHSE Board if they are contentious or if they meet other Board approval criteria for example of material changes to business.

32.4 People, Remuneration and Nominations Committee approval

32.4.1 The Commercial Directorate and the Executive Human Resource Group have the delegated authority to manage all recommendations following consultation with Human Resources and Legal as appropriate.

32.4.2 SCCL shall not, without prior approval from the NHSE People Committee do any of the following:

- appoint or dismiss any director, the chairman of the company or make any change in the

scope of authority of any director (recommendation from Commercial Directorate after consultation with HR and Legal);

- fix or pay the remuneration of any director or provision of benefits of any nature whatsoever to any director, former director or any associate of any director or former director;
- make provision for the benefit of any persons which is permitted by section 247 of the Companies Act 2006;
- establish or amend any pension scheme, or an increase in the amount of contributions to any director or former director or any member of any such person's family;
- grant any pension rights to any director or former director or any member of any such person's family; or
- establish or amend any profit-sharing, share option, bonus or other incentive scheme of any nature for directors or employees, or any increase in the amount of contributions there to.
- notwithstanding articles of association (8 (1) (o) (i) to (v)), save as set out in the Business Plan (approved by the shareholder in accordance with article 8 (1) (u)), agree or vary the terms of engagement, secondment and/or removal of or the terms of any other agreement relating to any director or senior personnel (comprising all those persons, whether employees, secondees, consultants or other professionals whose remuneration exceeds £100,000 per annum.
- In providing or not providing prior written consent the NHSE Board shall have regard to HM Treasury's guidance for the approval of senior pay as amended or updated from time to time. This includes variations in connection with performance ("bonus") arrangements.
- Appoint or remove the company's Chief Executive Officer.

32.5 NHS England Chief Financial Officer approval

- 32.5.1** SCCL shall not, without CFO approval enter any financing transactions or transactions that can be regarded as financing transactions (for example sale and leaseback arrangements).

33 Appendix 17: Commercial agreements: Delegation of Approval

Typically, commercial contracts for the supply of non-clinical goods and services should be signed in accordance with Section 18 Appendix 5 of the NHS England Standing Financial Instructions.

Noting that there are often commercial agreements that fall outside of the scope of this appendix, below details a summary of the primary signatory of these other agreement types. Some of these agreements will need secondary signatories.

The definition of the SRO role can be found here [Roles for Project and Programme Management \(PPM\)](#) and should be a minimum AfC Band 9.

Type	Primary Signatory	Secondary Signatory	Advisory	Comment
Data Sharing / Data Processing Agreements	SRO		IG, Legal (where non-standard terms are used)	
Data access arrangements	SRO		IG, Legal (where relevant)	
Provision of Services Agreement (expenditure)	SRO	Counter-signed by finance	IG, Legal (where non-standard terms are used)	
Provision of Services Agreement (income)	SRO	Counter-signed by finance	IG, Legal (where non-standard terms are used)	
Provision of Services Agreement (£0 value framework)	SRO		IG, Legal (where non-standard terms are used)	
Schedules/statements of work	Finance (as per existing delegations)			
MOU/SLA's (expenditure)	Finance (as per existing delegations)		IG, Legal (where relevant)	Includes financial commitments/liabilities therefore finance is primary approver
MOU/SLA's (collaboration agreements - £0)	SRO		IG, Legal (where relevant)	No financial commitment/liabilities then SRO is primary approver
Secondment Agreements	HR			
NDA (standard template)	SRO		Legal (where non-standard terms are used)	Counter-signed by finance if there are any financial commitments/liabilities
IP Agreement	SRO		Legal	
Over-arching framework/DPS agreement	Finance (as per existing delegations)			For multi-supplier frameworks, signatures for individual supplier contracts can be delegated to commercial as long as these contracts are £0 and are in-line with the T&C's of the over-arching framework/DPS

34 Appendix 18 – Non-Clinical Business Case approval limits

Financial Investment Value	Approval requirement	Applicable to
Over £50 million (whole life cost, including revenue and/or capital spend).	<ul style="list-style-type: none"> •Commercial Executive Group; and •NHS England Board; or •Joint Investment Committee (if within remit) 	NHS England and CSUs
£20 million to £50 million (whole life cost, including revenue and/or capital spend)	<ul style="list-style-type: none"> •Commercial Executive Group; and •Joint Investment Sub-Committee (if within remit); or •Joint Investment Digital Sub-Committee (if within remit) 	NHS England and CSUs
£10 million to £20 million (revenue only)	Commercial Executive Group	NHS England
<£10 million (revenue only)	Commercial Strategy Panel	NHS England
Up to £20 million (capital only)	Approval can be made by: <ul style="list-style-type: none"> •Chief Executive; or •Chief Financial Officer; or •Deputy Chief Financial Officer – Operational Finance; or •Deputy Chief Financial Officer – Strategic Finance; or •Director of Capital 	NHS England
Up to £1 million (capital only)	For CSU programmes within approved budget, commitments up to £1 million are required to be approved by the CSU Managing Director and CSU Director of Finance	CSUs
Up to £1 million (capital only)	Commitments up to £1 million in a region are required to be approved by the Regional Director of Finance	Regional teams

*Table applies to organisations listed in 2.1.1.